



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)

(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Department of Revenue

Subject of possible rule making: WAC 458-20-153 Funeral directors and WAC 458-20-154 Cemeteries, crematories, columbaria

Statutes authorizing the agency to adopt rules on this subject: RCW 82.32.300 and RCW 82.01.060(2)

Reasons why rules on this subject may be needed and what they might accomplish: The Department is considering an amendment to WAC 458-20-153 and 458-20-154 to update the tax-reporting information. Anticipated updates include the following.

WAC 458-20-153 Funeral directors:

- The rule currently describes funeral directors as commonly quoting a lump sum price for a standard funeral service, which includes the furnishing of a casket, professional services, care of remains, funeral coach, floral car and the securing of permits. This information needs to be updated because this is no longer industry practice.
- Additional clarification and detail regarding the application of business and occupation (B&O), retail sales, and use taxes to the business activities of funeral establishments for the sale of services, caskets, and other merchandise; and
- The tax reporting responsibilities of funeral establishments relative to income associated with prearrangement funeral service contracts.

WAC 458-20-154 Cemeteries, crematories, columbaria:

- Additional clarification and detail regarding the application of business and occupation (B&O), retail sales, and use taxes to the business activities of cemeteries, crematories, and columbaria;
- The tax reporting responsibilities of cemeteries relative to income associated with prearrangement contracts (commonly referred to as "pre-need" or "prepaid" arrangements) for the sale of interment rights, merchandise, and services; and
- The tax reporting responsibilities of cemeteries relative to amounts placed into and subsequently received from endowment care funds for cemetery care and maintenance.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Parties interested in this rule making may contact the individual listed below. The public may also participate by providing written comments throughout this rule making or giving oral testimony at the public meeting or public hearing.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of possible rule changes is available for viewing and printing on our website at: <http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx>. Written comments on and/or requests for copies of the rule may be directed to: Armikka R. Bryant, Interpretations and Technical Advice Division, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: armikkab@dor.wa.gov; phone: 360-570-6130; FAX (360)586-0127.

Public meeting location:

Capitol Plaza Building
4th Floor L&P Conf. Room
1025 Union Avenue SE
Olympia, Washington

Assistance for persons with disabilities:

Contact Martha Thomas no later than 10 days before the meeting date.
TTY 1-800-451-7985 or (360) 725-7497.

Date: April 21, 2009 **Time:** 10:30 A.M.

Date March 16, 2009

Name (type or print) Alan R. Lynn

Signature

Title Rules Coordinator

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STATE OF WASHINGTON
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